# GOVERNMENT OF INDIA
# ROAD TRANSPORT AND HIGHWAYS
# LOK SABHA

UNSTARRED QUESTION NO:879
ANSWERED ON:03.12.2015
PPP Mode
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**Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:**

(a) the details of the guidelines/norms laid down for construction of National Highways (NHs) under Public-Private Partnership (PPP) mode;

(b) the details of the projects executed/ being executed under PPP mode and their present status thereof;

(c) whether all stakeholders including States were/are being consulted before undertaking projects under PPP mode, if so, the details thereof;

(d) whether the Government has come across certain bottlenecks in execution of projects under PPP mode especially with regard to frame work and rigidities in contractual arrangements etc. and if so, the details thereof along with the measures taken/proposed to be taken to address the issue; and

(e) the mechanism put in place by the Government to monitor the physical and financial progress of the projects taken under PPP mode?

## Answer

THE MINISTER OF STATE IN THE
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

(SHRI PON. RADHAKRISHNAN)

(a) Projects under Public-Private Partnership (PPP) mode are implemented considering the financial analysis and resultant viability of the project. Gaps in viability are addressed through Viability Gap Funding, as per permissibility. The projects are taken up as per the standards/manuals, Indian Road Congress (IRC) specifications and governed by the terms and conditions of the concession agreement.

(b) Details of National Highway (NH) Projects assigned to private companies under Build-Operate-Transfer (BOT) mode are placed at Annexure.

(c) All the stake holders, such as Central Government, State Government, implementing agencies, concessionaires, lenders etc. are consulted at appropriate stages for successful implementation of PPP Projects. State Support Agreements are signed by State Government to facilitate implementation of Projects.

(d) During execution of PPP Projects various bottlenecks such as delay in land acquisition and pre- construction activities, financial crunch of developer, unmatched cash flow on the part of developers/lenders, change of scope in the project besides other contractual implications which are encountered. Various steps have been taken by the Government/National Highways Authority of India (NHAI) to remove the hurdles affecting the construction of NHs includes streamlining of land acquisition and regulatory clearances, close coordination with other ministries, revamped Disputes Resolution Mechanism etc. NHAI has also decided not to award projects till all major pre-construction approvals are in-place for the project in order to avoid post bid delays and litigations.

(e) NHAI appoints Independent Engineers for reviewing and monitoring of the physical & financial progress of PPP Projects. Also, concessionaire appoints Statutory Auditors from the panel of Chartered Accountants approved by NHAI for verification of accounts.